

Housing Authority - County of Los Angeles

June 17, 2008

To: Each Supervisor

From: Carlos Jackson, Executive Director



SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

On March 13, 2007, your Board instructed me to report monthly on our progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). This report covers the period between May 15, 2008 and June 13, 2008, and provides information on the following:

- HUD Audit Update
- Lease-up
- Annual Re-Examinations
- Inspections
- Corrective Action Plan
- Socialserve.com
- Call Center
- The Confirmatory Review
- YARDI Status Update

HUD OIG Audit Update

We finally received a response to our March 22nd reply to the HUD Audit. Their June 13th letter is attached. The letter focuses primarily on administrative items we have addressed and HUD is asking for further documentation by September 30, 2008.

However, as noted in the letter, no decision has been made on the major items: repayment of \$3.6 million; replacement of the Executive Director; and future withholding of administrative funds. We do not know when a decision will be made regarding these recommendations.

To further support bringing a final resolution to this Audit, we have retained the services of Gregg Fortner to consult on Housing Authority issues pertaining to Public Housing and Section 8. He has considerable professional Housing Authority experience. In the recent past, Mr. Fortner served for 7 years as Executive Director of the City of San Francisco Housing Authority.

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Prior to the San Francisco appointment, he was the Executive Director of the Sacramento Housing Authority for 3 years. His professional background includes management experience with the Community Development Commission and the City of Los Angeles Housing Authority.

HUD has informed HACoLA in a letter dated May 22, 2008 that there will be a change in servicing of HACoLA's Section 8 Program and our SEMAP Confirmatory Review. The Cleveland, Ohio HUD office will now perform all servicing for our program.

Lease-up

As of June 1, 2008, our lease-up rate was 96.9%, representing a total of 20,106 assisted families throughout the County. We expect to earn the maximum SEMAP score of 20 points for this indicator. In addition, HACoLA has begun processing applications that were placed on hold in January and will begin pulling names from our waiting list on July 15, 2008 (a corrected date).

Annual Re-examinations and Inspections

We remain constant at a 0% delinquency rate for our annual re-examinations, and at a 2% delinquency rate for our inspections. This qualifies HACoLA for the maximum points under SEMAP, keeping us in line to reach our projection of 120 points (a standard rating) for FY 2008, 30 points above the FY 2007 level.

Corrective Action Plan

To date, a member of the Board and a Housing Advisory Commissioner have not completed the training as required by the Corrective Action Plan (CAP). As I previously reported, HUD has closed all other items of the CAP.

SocialServe.com

SocialServe.com continues to increase the participation of both tenants and landlords. For a 28-day period between May 15 and June 12, 2008, SocialServe.com averaged 4,932 total listings (a 7% increase over May), 3,376 participating landlords (a 6% Increase), and 123,433 housing searches (a 4% increase).

Call Center

Our Call Center continues to increase in participation, averaging approximately 4,889 calls per week (a 10% increase over last month), with an actual total of 19,556 for the period between May 15, 2008 and June 12, 2008. For your information, the average wait time for the stated period was 1 minute, 41 seconds.

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HUD's On-Site Confirmatory Review

As you were previously notified by e-mail (attached), HACoLA's confirmatory review of our SEMAP certification for fiscal year ending 06-07 began this week.

YARDI Status

HACoLA remains on track for the July 1, 2008 implementation deadline. A rotational training schedule for staff began June 1, and will continue through the end of the month.

Please contact me if you have any questions or need additional information.

CJ:LO:dt
Attachments

c: Lari Sheehan, Chief Deputy Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy



U.S. Department of Housing and Urban Development
Office of the Public Housing Director
Los Angeles Field Office, Region IX
611 W. 6th Street, Suite 1040
Los Angeles, CA 90017

JUN 13 2008

Carlos Jackson
Executive Director
Housing Authority of the
County of Los Angeles
12131 Telegraph Road
Santa Fe Springs, CA 90670

Dear Mr. Jackson:

SUBJECT: Office of Inspector General for Audit
Audit Report No. 2008-LA-1007: The Housing Authority of the County of Los Angeles Section 8 Housing Choice Voucher Program

On February 8, 2008 the Office of Inspector General for Audit issued the subject audit report to the Housing Authority of the County of Los Angeles (HACoLA). The audit report contains one finding that is detailed below.

Finding One: The Authority Did Not Perform Annual Reexaminations in Accordance with HUD Rules and Regulations.

Recommendations

- 1A. Direct the Authority to reimburse its program \$33,464 from nonfederal funds for the overpayment of housing assistance.

Your response was sent and approved by the OIG, thus this recommendation is formally closed.

- 1B. Direct the Authority to reimburse the appropriate tenants \$2,838 from program funds for the underpayment of housing assistance.

Your response was sent and approved by the OIG, thus this recommendation is formally closed.

- 1C. Direct the Authority to provide adequate support for the housing assistance payments disbursed or reimburse the program \$5,860 from nonfederal funds for the unsupported costs cited in this report (see appendix C).

Your response was sent and approved by the OIG, thus this recommendation is formally closed.

Initial: _____

- 1D. Review a sample of the 4,710 delinquent annual reexaminations and determine whether they were completed accurately and the housing assistance payments were adjusted as necessary.

HACoLA Response:

HACoLA performed quality control reviews on approximately 9% of those reexaminations. They were completed accurately and the housing assistance payments were adjusted as necessary.

PIH Response:

HUD will conduct a sample review of the 4710 delinquent annual reexaminations to ensure the problems identified in the audit were properly addressed.

Requested Target Date: September 30, 2008

- 1E. Direct the Authority to perform the prior annual reexaminations to make them current on the 13 tenants missing annual reexaminations, ensuring that the correct annual reexamination due dates are used (see appendix C) in accordance with the Authority's policies and HUD requirements, and make revisions to the housing assistance payments when necessary.

HACoLA Response:

HACoLA has completed annual reexaminations for all thirteen files.

PIH Response:

Although recent annual reexaminations were performed on the 13 tenants identified above, PIH found that prior annual reexaminations had not been conducted. Please provide supporting documentation (50058's) for the missing reexams, whereby the tenants' annual recertification's were not conducted.

Requested Target Date: September 30, 2008

- 1F. Direct the Authority to correct the annual reexamination dates for the 18 tenants for whom the Authority improperly changed annual reexamination dates (see appendix C) so that they comply with Authority policies and HUD requirements and make revisions to the housing assistance payments when necessary.

HACoLA Response:

The reexaminations for the 18 tenants in question have been reviewed.

PIH Response:

Please provide supporting documentation that the reexaminations for the 18 tenants in question were performed in accordance with the tenant's annual reexamination due dates.

Requested Target Date: September 30, 2008

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Initial: _____

- 1G. Direct the Authority to only change the tenants' annual reexamination due dates in accordance with its monitoring and administrative policies and HUD regulations.

HACoLA Response:

HACoLA has developed a policy to allow for changes in the annual reexamination dates as necessary and in accordance with HUD requirements. The policy will be considered at the March 25, 2008, Board of Supervisors meeting. Upon approval, the policy will be effective on July 1, 2008.

PIH Response:

The annual reexamination dates should not be changed from the move in anniversary date unless there are special circumstances. Upon adoption of the revised policy, please submit a copy along with the Board Resolution to LAOPH.

Requested Target Date: September 30, 2008

- 1H. Require the Authority to add policies and procedures to its administrative plan and include examples to ensure that it is comprehensive enough for staff to use in performing their duties and update the plan throughout the year to incorporate changes or clarification in guidance.

HACoLA Response:

HACoLA is developing Standard Operating Procedures (SOPs) for all processes and functions. We have completed and incorporated step-by-step work flows into the new YARDI system, which we anticipate to go live on May 1, 2008. The work flows have also been incorporated into our training program and will be available for immediate download as operational memoranda on our intranet system effective July 1, 2008. HACoLA will continue to outline new policies and procedures in memorandum form, when necessary, and will place them on the intranet for access by all HACoLA employees.

PIH Response:

PIH recommends that the SOPs and the Administrative Plan reference one another, making the SOPs extensions of the Administrative Plan. PIH also recommends that HACoLA incorporate a methodology for updating the Administrative Plan and the SOPs, as necessary to ensure employees are provided the most current Section 8 requirements. Upon completion of the SOPs and the Administrative Plan, please submit a copy along with the examples to LAOPH.

Requested Target Date: September 30, 2008

- 1I. Require the Authority to implement a comprehensive training program for staff and management on its Housing Choice Voucher program, including HUD's

Public Housing Information Center system, to ensure that the information is accurate before submission.

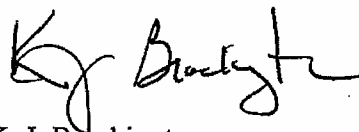
Your response was sent and approved by the OIG, thus this recommendation is formally closed.

For recommendations 1J, 1K, 1L, and 1M, further instructions will be forthcoming.

Please respond to the recommendations on or before September 30, 2008. Your response should detail what actions the Housing Authority of the County of Los Angeles will take to address the finding and each recommendation.

Should you have questions regarding the open recommendations, please contact Carolyn Cain, Supervisor, Recovery and Prevention Corps, at (216) 522-4300 Ext. 7938, since she is the Team Leader and your new HUD Servicing Representative.

Sincerely,

A handwritten signature in black ink, appearing to read "K. J. Brockington". The signature is stylized with a large "K" and a cursive "J".

K. J. Brockington
Director
Office of Public Housing

cc: Board of Commissioners

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Initial

To : Board Deputies

From: Bobbette Glover
Sent: Thursday, May 29, 2008 3:23 PM
Subject: Section 8 Confirmatory Review by HUD

As you know, we've been awaiting HUD's review of our 2006 Section 8 Management Assessment Program (SEMAP) scores. Their procedure calls for an on-site review to confirm that we have met the criteria to be designated as a "standard" performer.

We received notice last week that this review will be conducted by HUD's Recovery & Prevention Corp (RPC) out of Cleveland. The L A Office is severely understaffed, and they've not been able to do the confirmatory review as required. The RPC is a branch of HUD that can be called in to either assess/evaluate troubled housing authorities and HUD Programs or to conduct confirmatory reviews.

The SEMAP confirmatory review will begin the week of June 16th with RCP staff on site for three days.

The RCP staff will also review our accomplishments under the Corrective Action Plan. As you may recall, the only outstanding CAP items are:

- Implementation of the new Yardi software – We are pleased to report that during the month of June, staff will be trained on the new system in order to be ready for implementation scheduled for July 1st.
- Online Section 8 training – To date, all have completed the required training except one Supervisor and one Housing Commissioner.

We hope that the RCP's will be able to complete their review during the 3-day visit. If not, they will return in July. Within 60 days of the completion of their work, they will issue a final determination on our status.

If you have any questions, please give me a call.

Bobbette